

VZCZCXRO0967

RR RUEHBC RUEHDA RUEHDE RUEHIHL RUEHKUK RUEHMOS

DE RUEHGB #0730/01 0661557

ZNR UUUUU ZZH

R 071557Z MAR 06

FM AMEMBASSY BAGHDAD

TO RUEHC/SECSTATE WASHDC 3131

INFO RUEKJCS/SECDEF WASHINGTON DC

RHMFISI/HQ USCENTCOM MACDILL AFB FL

RHMFISI/HQ USEUCOM VAIHINGEN GE

RUCNRAQ/IRAQ COLLECTIVE

UNCLAS SECTION 01 OF 02 BAGHDAD 000730

SIPDIS

SIPDIS

STATE FOR NEA-I/POL AND NEA-I/ECON

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [ECON](#) [EAID](#) [IZ](#) [IR](#)

SUBJECT: PST BAGHDAD: IRANIAN INFLUENCE ON BAGHDAD
PROVINCIAL POLITICS

¶1. SUMMARY: Iranian influence on Baghdad provincial politics is increasing. Recent visits by the chairman of the Baghdad Provincial Council to Iran, as well as the past visits by rank and file members of the Provincial Council, point to the possibility that Iranian interests are establishing solid roots within the Baghdad Provincial Government. Iranian overtures and interaction with the Provincial Council are likely an effort to build economic market share in the largest city in Iraq and build a significant degree of influence over key provincial leaders. The Iranian government likely views the leadership of Baghdad province, like that of the national government, as important to long-term Iranian interests in the region. END SUMMARY.

¶2. Over the past six months, Iranian interests have made substantial inroads toward developing a relationship with the Provincial Council. The following examples provide evidence that there is growing Iranian influence on the Baghdad provincial government.

¶3. In late summer 2005 and again in fall 2005, members of the PC traveled to Iran at the invitation of the Iranian government to observe how Iranian cities about the size of Baghdad govern and to build rapport with the counterparts in Tehran.

¶4. Also in late summer 2005, members of the Iranian mission in Baghdad visited the PC at least once to hold meetings with council members. The ostensible reasons for the meetings were to discuss items of mutual benefit and to extend invitations for both Iraqi representatives and Iranian representatives to travel to each other countries to forge closer ties.

¶5. According to several local political officials, including PC Deputy Chairman Mohan Al-Saidi, the Iranian embassy observes the PC and is aware of past and current activities of the council. He characterizes the Iranian embassy's knowledge of PC operation as significant. (The Iranian Diplomatic mission is one block south of the Provincial Council on Haifa Street. This allows for ease of access by Iranian officials to the PC.)

¶6. In early February 2006, PC Chairman Mueen Hameed traveled to Iran with an Amanat (city hall) Baghdad delegation to forge closer ties with the Amanat Tehran, seek economic and development assistance from the Iranian government, and negotiate a potential loan from Iran to bolster local reconstruction efforts.

Since then, at least one Iranian construction company that specializes in water/sewage projects seems to have successfully entered the Baghdad reconstruction and development arena. According to Chairman Mueen, a number of other Iranian companies are interested in doing business in Baghdad.

COMMENT

¶7. COMMENT: Politics at the Baghdad Provincial Council are driven largely by its SCIRI/Badr bloc. At the national level, SCIRI/Badr has significant and historic ties to Iranian government interests and private entities. We are confident that Iran will likely maintain contacts with the provincial SCIRI leadership in the same way it does with the national SCIRI leadership. Personal affairs may also affect the views of PC members. A number of PC/governorate members, including the PC chairman and the governor, spent much time in exile in Iran before the fall of the Saddam Hussein regime and may have extensive personal interests in Iran. Moreover, a number of PC members have family residing in Iran.

¶8. COMMENT, CONT'D: Iranian overtures and interaction with the PC are likely an effort to build economic market share in the largest city in Iraq and build a significant degree of influence over key provincial leaders. There are no overt indications, however, that Iranian interests are attempting to co-opt PC leadership or its members for anti-American activities or other overt nefarious activity.

BAGHDAD 00000730 002 OF 002

¶9. COMMENT CONT'D: The Iranian government likely views the leadership of Baghdad province, like that of the national government, as important to long-term Iranian interests in the region. Baghdad, the largest and most populated province in Iraq, is the key to economic development, stability, and decision making for the country. Iran is positioning itself on multiple tiers to exert influence in Baghdad and Iraqi decision making.

¶10. COMMENT CONT'D: Discussing Iranian overtures and inroads with provincial officials can be a sensitive matter. Most of them are reluctant, and in at least one case afraid, to openly discuss the interactions some members of the council have had with Iranian interests. PC Chairman Mueen Hameed seems to be one exception. When asked about his interaction with Iranian interests, while not always detailed, he willingly discusses his efforts. We attribute his openness to what he considers open knowledge that he lived several years in Iran in exile.

¶11. COMMENT CONT'D: After 25 years of little access to Iraq due to conflict and animosity, Iran is taking advantage of the current unstable environment to cement its economic interests and influence. This trend will likely continue since it is not evident why Iranian interests might become less active in Baghdad in the months ahead. END COMMENT.

KHALILZAD